

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20054

Dear Secretary Dortch:

These comments are submitted in response to the FCC notice of proposed rulemaking regarding the health care aspects of the Universal Service Fund (WC Docket No. 02-60). We would like to submit the following recommendations:

Eligible health care providers: We recommend that nursing homes, long-term care facilities, hospice, home health agencies and emergency medical services providers be included as eligible health care providers. There is an increasing trend to use telehealth technologies in rural nursing homes, long-term care facilities, EMS and for the provision of home health care. Agencies providing these services should have equal access to the Universal Services discount program. We further recommend that for profit healthcare providers be eligible for Universal Service Fund discounts. In some rural communities, the only provider may be a Medicare certified rural health clinic or individual physicians, which likely will be for profit.

Eligible services -- discounts on Internet access charges: We recommend that discounts on Internet access charges be included as eligible services. Many rural health care providers have limited access to the Internet due to their inability to pay high access charges for multiple connections. Rather than all providers at a facility having access to the Internet, the costs associated with multiple connections might restrict access to just one or very few providers.

Changing the calculation of discounted services: We recommend that the Maximum Allowable Distance (MAD) policy be eliminated. The existing mechanism encourages telephone companies to legally raise the rates they charge to customers because they know the client would still pay the same under the discounted mechanism. Also, rate comparisons should be made utilizing the rates of any urban area in a state, not just the closest city of 50,000.

Simplifying the application process: We recommend that the application process required for rural providers be simplified. It is important to recognize that small, rural providers are often not part of a system of care in which the corporate administration completes the application.

Technical assistance should be provided to assist rural health care providers in understanding how to get information from the telephone companies, and in processing the Universal Services discount application. As part of the simplification process, we recommend that the 28-day posting period be eliminated. There is usually no competition among telecommunications companies in rural areas and this requirement

slows the application process.

Rate comparisons: We recommend that discounts be calculated by comparing services based on functionality of the service from the perspective of the end user. Current rules do not state how urban and rural services are compared, therefore discounts are based on the difference between urban and rural rates for the same or similar services. This method of calculation does not take into account that some less expensive services in urban areas may not be available in rural areas, thus rural providers are required to seek out more expensive services.

Annual renewal policy for USF support: We recommend that the annual application process currently in effect be replaced with a multi-year process, unless major changes have occurred in the connectivity during the year that require reporting. The annual renewal process is overly burdensome and does not reflect that the health care provider probably has signed a multi year contract with a telephone company and does not anticipate a change in service.

Competitive bidding process: We recommend that rural health care providers who have already selected a telecommunications service provider be eligible for program support. Often, there is only one telecommunication service provider in a rural area. Where more than one does exist, a competitive bidding process most likely has taken place before the preferred telecommunication service provider was selected by the health care provider. Additionally, to be able to receive cost-effective rates, health care providers often enter into multi-year contracts with their telecommunication service provider. The fact that a health care provider has already taken these steps to reduce its telecommunications costs makes them ineligible to participate under the current rules for the Universal Service program.

Rural definition: We recommend that the FCC adopt the same definition of rural as that adopted by the Federal Office of Rural Health Policy. We further recommend that participants located in state-defined rural areas be allowed to participate in the Universal Service Fund program. We believe that if a community is designated by the state as rural through a public act or administrative rule, the community should be eligible to participate in the Universal Service Fund program.

National defense: We agree that insofar as is possible, the Universal Service Fund should be used as a vehicle to promote national defense, through

providing
incentives to promote safety of life and
property through the use of wire and radio communications. We recommend=3D
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that the FCC provide incentives for
national connectivity of current state-wide telehealth and telemedicine
networks to enable those networks to serve
as vehicles for rapid, secure communications in times of emergency, as
well as for training and education related to
bioterrorism response.

Backbone surcharges: We recommend that surcharges imposed by
statewide or regional
networks that are not defined as telecommunications providers by the
Universal Service Fund under the current
rules also be eligible for discounts. In Illinois, the Illinois Century=3D
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Network is a state-supported network that
connects educational institutions, libraries and not-for-profit health
care facilities throughout the state. Recently, the
Illinois Century Network imposed a monthly fee for participation on the
network. The rural health care participants in
this network meet the criteria for reimbursement under the USF.
However,
because the Illinois Century Network is
not a telecommunications company, its surcharges to health care
providers
are not eligible for this program. We
recommend that surcharges imposed by these networks that provide
services
to rural, not-for-profit groups be
eligible for Universal Service Fund support. Many states have similar
telecommunications networks in place.

We appreciate the opportunity to submit these comments.

Sincerely,

Mary Catherine Ring, Chief
Center for Rural Health
Illinois Department of Public Health
535 West Jefferson
Springfield, IL 62761